HANTAM MUNICIPALITY

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HANTAM MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2012

I am responsible for the preparation of these financial statements, which are set out on pages 1 to 59 in terms of section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that salaries, allowances and benefits of Councillors as disclosed in note 26 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the remuneration of Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

31 August 2012

C DU PLESSIS
MUNICIPAL MANAGER

NATURE OF BUSINESS

Hantam Municipality is a Local Municipality performing the functions as set out in the Constitution. (Act No.105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality(Local Municipality) as defined by the Municipal Structures Act. (Act No.117 of 1998)

FULL TIME MAYOR

Councillor A.F. Fritz

WARD COUNCILLORS

Ward 1	M.S.Esau
Ward 2	R.N.Swartz
Ward 3	F.J. Sterkse
Ward 4	J.H.Wilschut
Ward 5	G.Opperman

COUNCILLORS PROPORTIONAL

G.J.Engelbrecht
H.C. Steenkamp
J.Swarts

GRADING OF LOCAL MUNICIPALITY	Grade 2
AUDITORS	Auditor-General
BANKERS	ABSA Bank
REGISTERED OFFICE	Hoop Street Private Bag X14 Calvinia 8190
TELEPHONE	027-3418 500
FACSIMILE	027-3418 501
WEBSITE	www.hantam.gov.za

JURISDICTION AREA	Calvinia Brandvlei Loeriesfontein Nieuwoudtville
MUNICIPAL MANAGER	**Mr.C du Plessis**
Telephone	027-3418 542
E-Mail	municipalmanager@hantam.gov.za
HEAD:FINANCE	**Mr.I.G. Valentein**
Telephone	027-3418 505
E-Mail	finance@hantam.gov.za
HEAD:CORPORATE SERVICES	**Mr.A.Bergh**
Telephone	027-3418 515
E-Mail	admin1@hantam.gov.za
HEAD:HEALTH & SOCIAL SERVICES	**Mr.J.R. van Wyk**
Telephone	027-3418 508
E-Mail	socialdev1@hantam.gov.za
HEAD:INFRASTRUCTURE SERVICES	**Mr.B.W.Meyer**
Telephone	027-3418 550
E-Mail	infrastructure1@hantam.gov.za

ENQUIRIES

Building Plan	027-3418 554
Electricity	027-3418 550
Water	027-3418 552
Sewerage	027-3418 508
Consumers	027-3418 544

PAYPOINTS

Calvinia	027-3418 500
Brandvlei	054-6038 400
Loeriesfontein	027-6628 600
Niewoudtville	027-2188 700

RELEVANT LEGISLATION

Municipal Finance Management Act (Act no.56 of 2003)
Division of Revenue Act
The Income Tax Act
Value Added Tax Act
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Planning and Performance Management Regulations
Water Services Act (Act 108 of 1997)
Housing Act (Act no 107 of 1997)
Municipal Property Rates Act (Act no 6 of 2004)
Electricity Act (Act no 41 of 1987)
Skills Development Levies Act (Act no 9 of 1999)
Employment Equity Act (Act no 55 of 1998)
Unemployment Insurance Act (Act no 30 of 1966)
Basic Conditions of Employment Act (Act no 75 of 1997)
Supply Chain Management Regulations, 2005
Collective Agreements
Infrastructure Grants
SALBC Leave Regulations

1. REVIEW OF OPERATING RESULTS

The overall operating results for the year ended 30 June 2012 as well as the comparison with the budgeted figures and the actual results of 2011 are reflected in the following table.

DESCRIPTION	BUDGET 2012	ACTUAL 2012	VARIANCE	VARIANCE ACTUAL AS % OF BUDGET	ACTUAL 2011
INCOME					
Operating Income	54 614 880	66 233 238	-11 618 358	-21.27	52 668 165
EXPENDITURE					
Operating Expenditure	59 373 175	58 625 914	747 261	1.26	54 642 094
Closing Surplus	-4 758 295	7 607 324	-12 365 619	259.87	-1 973 929

Details of operating results per department and classification of income and expnditure is included in the Statement of Performance.

2. OPERATING EXPENDITURE 2011/2012

EXPENDITURE	BUDGET 2012	ACTUAL 2012	VARIANCE	VARIANCE ACTUAL AS % OF BUDGET	ACTUAL 2011
Employee related costs	21 575 026	21 618 691	-43 665	-0.20	20 254 392
Remuneration of Councillors	2 060 845	2 061 909	-1 064	-0.05	1 955 343
Bad debts	4 965 040	2 171 266	2 793 774	56.27	4 354 237
Collection costs	245 000	244 772	228	0.09	0
Depreciation	3 685 298	4 639 363	-954 065	-25.89	4 721 775
Repairs and maintenance	2 069 994	1 849 960	220 034	10.63	1 658 294
Interest paid	109 490	1 156 710	-1 047 220	-956.45	758 758
Bulk purchases	10 915 785	11 761 477	-845 692	-7.75	8 984 771
Contracted services	923 814	931 316	-7 502	-0.81	733 187
Grants and subsidies paid	308 600	303 767	4 833	1.57	334 579
General expenses	11 563 283	11 484 611	78 672	0.68	10 806 822
Non-Current Provisions	951 000	402 072	548 928	57.72	79 936
Total Expenditure	**59 373 175**	**58 625 914**	**747 261**		**54 642 094**

The overspending on Interest Paid is the interest portion of the Provision for Long-Service Bonus and Provision for Post Retirement and lease payments
See Note 44 for explanation of diffirences.

INCOME	BUDGET 2012	ACTUAL 2012	VARIANCE	VARIANCE ACTUAL AS % OF BUDGET	ACTUAL 2011
Property rates	4 472 585	4 434 201	38 384	0.86	4 221 120
Property rates - penalties			0	0.00	
Service charges	27 202 960	25 122 367	2 080 593	7.65	21 875 567
Regional Services Levies			0	0.00	
Regional Services Levies			0	0.00	
Rental of facilities	159 800	234 620	-74 820	-46.82	162 918
Interest earned - ext invest	200 000	118 845	81 155	40.58	151 731
Interest earned - debtors	913 395	974 987	-61 592	-6.74	999 157
Dividends received			0	0.00	0
Fines	61 500	72 166	-10 666	-17.34	78 929
Licences and permits	1 157 600	1 152 603	4 997	0.43	1 230 529
Actuarial Gains			0	0.00	0
Government grants - Operating	20 322 000	19 794 586	527 414	2.60	17 869 774
Government grants - Capital		13 804 951	-13 804 951	0.00	5 817 461
Other income	125 040	523 912	-398 872	-319.00	260 979
					0
Total Income	**54 614 880**	**66 233 238**	**-11 618 358**		**52 668 165**

3.1. Operating Grants

The following operating grants were received during the year:

Equitable Share	17 165 938
Financial Management Grant	1 450 000
Municipal Systems Improvement Grant	790 000
Library Development	399 000

4.MUNICIPAL EXTERNAL DEBT

At the end of the year the amount borrowed and outstanding were as follows:

TYPE	BALANCE 2011/06/30	RECEIVED	REDEEMED	BALANCE 2012/06/30
Annuity Loans	2 399 073	0	477 464	1 921 609
Lease Liabillity	403 193	44 308	154 918	292 583
Total	**2 802 266**	**44 308**	**632 382**	**2 214 192**

5. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	GROSS BALANCES R	PROVISION IMPAIRMENT R	NETT BALANCES R
As at 30 June 2012			
Electricity	3 304 200	2 419 574	884 626
Water	6 326 856	4 632 982	1 693 874
Refuse	4 838 183	3 542 867	1 295 316
Sewerage	2 731 710	2 000 356	731 354
Other Arrears	3 700 778	2 709 977	990 801
	20 901 727	15 305 756	5 595 971
Recognition of Revenue - Water	59 842		59 842
Recognition of Revenue - Electricity	285 537		285 537
Recognition of Revenue - Sanitation	66 582		66 582
	21 313 688	**15 305 756**	**6 007 932**
LESS: Long-Term Receivables	-2 106 188		-2 106 188
Total: Receivables from Exchange Transactions	**19 207 500**	**15 305 756**	**3 901 744**
As at 30 June 2011			
Electricity	2 735 241	2 117 628	617 613
Water	5 145 234	3 983 448	1 161 786
Refuse	3 980 860		3 980 860
Sewerage	2 211 787	4 794 356	-2 582 569
Other Arrears	3 814 014	2 877 896	936 118
	17 887 136	13 773 328	4 113 808
Recognition of Revenue - Water	66 165		66 165
Recognition of Revenue - Electricity	278 302		278 302
Recognition of Revenue - Sanitation	73 752		73 752
	18 305 355	13 773 328	4 532 027
VAT	2 282 233		2 282 233
Total Receivables from Exchange Transactions	**20 587 588**	**13 773 328**	**6 814 260**

6. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	2012	2011
Other Receivables		
Rates	5 511 700	4 995 001
Miscellaneous	1 502 887	1 680 754
	7 014 587	**6 675 755**
LESS: Allowance for doubtful debts	-4 036 066	-3 867 137
Total receivables from non-exchange transactions	**2 978 521**	**2 808 618**

Ageing of Receivables from Non- Exchange Transactions

Rates: Ageing

Current (0 - 30 days)	265 189	269 185
31 - 60 days	127 664	119 744
61 - 90 days	109 451	104 082
91 days and longer	5 009 396	4 501 990
	5 511 700	**4 995 001**

Summary of Receivables by Customer Classification 8

2012	Commercial	Residential	Government	Total
Current (0 - 30 days)	463 181	1 425 917	215 569	2 104 667
31 - 60 days	110 393	748 394	119 639	978 426
61 - 90 days	82 566	659 815	84 558	826 939
91 days and longer	1 049 348	20 551 152	902 894	22 503 394
	1 705 488	23 385 278	1 322 660	26 413 426
LESS: Provision for doubtful debts	-1 248 882	-17 124 391	-968 548	-19 341 821
Total recoverable debtors by customer classification	**456 606**	**6 260 887**	**354 112**	**7 071 605**
2011				
Current (0 - 30 days)	339 171	1 258 278	227 015	1 824 464
31 - 60 days	109 064	720 739	86 325	916 128
61 - 90 days	72 819	615 908	75 729	764 456
91 days and longer	890 335	17 479 182	910 803	19 280 320
	1 411 389	20 074 107	1 299 872	22 785 368
LESS: Provision for doubtful debts	-1 092 699	-15 694 495	-853 269	-17 640 463
Total recoverable debtors by customer classification	**318 690**	**4 379 612**	**446 603**	**5 144 905**

7. NON-CURRENT PROVISIONS	2012	2011
Provision for Post-Retirement Benefits	6 875 030	6 012 345
Provision for Long Service Awards	1 207 976	965 102
Provision for Rehabilitation Landfill Sites	3 608 447	3 280 407
	11 691 453	**10 257 854**

8. CURRENT LIABILITIES

Consumer Deposits	482 502	448 208
Current Employee Benefits	1 750 957	2 072 479
Current Portion of Non-Current Provision	400 938	364 490
Current Portion of Long-Term Liabilities	652 954	623 385
Payables of Exchange Transactions	4 503 415	8 991 830
Unspent Conditional Grants and Receipts	4 126 566	6 327 270
Unspent Public Contributions	148 186	61 073
VAT Payable	2 685 899	2 282 233
	14 751 417	**21 170 968**

9. CURRENT ASSETS

Inventory	329 060	339 131
Receivables from Exchange Transactions	3 901 744	4 532 027
Receivables from Non-Exchange Transactions	2 978 521	2 808 618
VAT Receivable	3 619 292	3 483 427
Current Portion of Long-Term Receivables	441 269	0
Call Investment Deposits	894 984	5 820 059
Bank Balance and Cash	695 649	3 498 711
	12 860 519	**20 481 973**

10. LONG-TERM RECEIVABLES

Agreements for longer than 12 months by consumers to settle outstanding debt	**1 664 919**

11. EXPRESSION OF APPRECIATION

I am grateful to the Municipal Manager and Head of Departments for the support during the financial year. I am also thankful for all staff in the finance department for the effort they put in and for their dedication.

I.G.VALENTEIN
CHIEF FINANCIAL OFFICER

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2012

	Notes	2012 R	2011 R
NET ASSETS AND LIABILITIES			
Net Assets		**78 961 624**	**62 980 626**
Revaluation Reserve		19 394 702	19 394 702
Accumulated Surplus/(Deficit)		59 566 922	43 585 924
Non-Current Liabilities		**13 252 689**	**12 436 735**
Long-Term Liabilities	1	1 561 236	2 178 881
Employee Benefits	2	8 083 006	6 977 447
Non-Current Provisions	3	3 608 447	3 280 407
Current Liabilities		**14 867 580**	**21 225 692**
Consumer Deposits	4	482 502	448 208
Current Employee Benefits	5	1 750 957	2 072 479
Current Portion of Non-Current Provision	3	400 938	364 490
Current Portion of Long-Term Liabilities	1	652 954	623 385
Payables of Exchange Transactions	6	4 619 578	9 046 554
Unspent Conditional Grants and Receipts	7	4 126 566	6 327 270
Unspent Public Contributions	8	148 186	61 073
VAT Payable	9	2 685 899	2 282 233
Total Net Assets and Liabilities		**107 081 893**	**96 643 053**
ASSETS			
Non-Current Assets		**94 105 211**	**76 106 356**
Property, Plant and Equipment	10	80 272 892	64 006 456
Investment Property	11	12 099 900	12 099 900
Biological Assets	12	67 500	
Long-Term Receivables	13	1 664 919	
Current Assets		**12 976 682**	**20 536 697**
Inventory	14	329 060	339 131
Receivables from Exchange Transactions	15	6 587 643	6 814 260
Receivables from Non-Exchange Transactions	16	2 978 521	2 863 342
VAT Receivable	9	933 393	1 201 194
Current Portion of Long-Term Receivables	13	441 269	
Call Investment Deposits	17		
Bank Balance and Cash	18	1 706 796	9 318 770
Total Assets		**107 081 893**	**96 643 053**

HANTAM MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 R	2011 R
REVENUE			
Revenue from Non-Exchange Transactions		**38 629 816**	**28 248 263**
Taxation Revenue		**4 434 201**	**4 221 120**
Property Rates	19	4 434 201	4 221 120
Transfer Revenue		**33 599 537**	**23 687 235**
Government Grants and Subsidies-Operating	20	19 794 586	17 869 774
Government Grants and Subsidies-Capital	20	13 804 951	5 817 461
Other Revenue		**596 078**	**339 908**
Fines	21	72 166	78 929
Other	22	523 912	260 979
Revenue from Exchange Transactions		**27 603 422**	**24 419 902**
Service Charges	23	25 122 367	21 875 567
Rental of Facilities and Equipment		234 620	162 918
Interest Earned - External Investments		118 845	151 731
Interest Earned - Outstanding Debtors		974 987	999 157
Licenses and Permits		1 152 603	1 230 529
Total Revenue		**66 233 238**	**52 668 165**
EXPENDITURE			
Employee related costs	24	21 618 691	20 254 392
Remuneration of Councillors	25	2 061 909	1 955 343
Debt Impairment	26	2 171 266	4 354 237
Collection Costs		244 772	0
Depreciation and Amortisation		4 639 363	4 721 775
Repairs and Maintenance		1 849 960	1 658 294
Finance Charges	27	1 156 710	758 758
Bulk Purchases	28	11 761 477	8 984 771
Contracted Services		931 316	733 187
Grants and Subsidies Paid	29	303 767	334 579
General Expenses	30	11 484 611	10 434 011
Provision - Employee Benefits	31	402 072	452 747
Total Expenditure		**58 625 914**	**54 642 094**
NET SURPLUS /(DEFICIT) FOR THE YEAR		**7 607 324**	**-1 973 929**

HANTAM MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 R	2011 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		66 842 575	53 422 656
Cash paid to suppliers and employees		-58 157 086	-43 438 999
Cash generated from operations	**32**	8 685 489	9 983 657
Interest received		118 845	151 731
Interest paid		-1 156 710	-157 921
NET CASH FROM OPERATING ACTIVITIES		**7 647 624**	**9 977 467**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-12 599 628	-6 472 684
Proceeds on disposal of property, plant and equipment			0
Increase in investment properties			
(Increase)/decrease in non-current receivables		-2 106 188	
Increase in non-current investments			
Decrease in call investment deposits			-709 781
NET CASH UTILIZED IN INVESTING ACTIVITIES		**-14 705 816**	**-7 182 465**
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans repaid		-588 076	-599 008
Increase in consumer deposits		34 294	25 551
NET CASH (UTILIZED IN)/ FROM FINANCING ACTIVITIES		**-553 782**	**-573 457**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**-7 611 974**	**2 221 545**
Cash and cash equivalents at the beginning of the year		9 318 770	1 277 166
Cash and cash equivalents at the end of the year	**17**	1 706 796	3 498 711
		7 611 974	**-2 221 545**

HANTAM MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2012

	Capital Replacement Reserve	Capitalisation Reserve	Government Grant Reserve	Donations and Public Contribution Reserve	Revaluation Reserve	Accumulated Surplus/ (Deficit)	Total
	R	R	R	R	R	R	R
2011							
Balance at 30 June 2010					19 394 702	46 854 251	66 248 953
Surplus/(deficit) for the year						-1 973 929	-1 973 929
Correction of Error							0
Revaluations							0
Offsetting of depreciation							0
Change in accounting policy (Note)							0
Balance at 30 June 2011	**0**	**0**	**0**	**0**	**19 394 702**	**44 880 322**	**64 275 024**
2012							
Surplus/(deficit) for the year						7 607 324	7 607 324
Revaluations						0	0
Correction of Error						-671 091	-671 091
Change in accounting policy (Note)						7 750 365	7 750 365
							0
Balance at 30 June 2012	**0**	**0**	**0**	**0**	**19 394 702**	**59 566 920**	**78 961 622**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

		2012 R	2011 R
1	**LONG-TERM LIABILITIES**		
	Annuity Loans	1 921 608	2 399 073
	Capitalised Lease Liability	292 582	403 193
		2 214 190	2 802 266
	LESS:Current Portion transferred to current liabilities	**652 954**	**623 385**
	Annuity Loans	502 188	477 464
	Capitalised Lease Liability	150 766	145 921
	Total Long-Term Liabilities	**1 561 236**	**2 178 881**
	The obligations under annuity loans are scheduled below:		
	Amounts payable under annuity loans:		
	Payable within one year	586 954	586 954
	Payable within two to five years	1 516 298	2 103 252
		2 103 252	2 690 206
	LESS: Future finance obligations	181 644	291 133
	Present value of annuity obligations	**1 921 608**	**2 399 073**
	The obligations under finance leases are scheduled below:		
	Amounts payable under finance leases:		
	Payable within one year	162 193	162 368
	Payable within two to five years	146 520	264 960
		308 713	427 328
	LESS: Future finance obligations	16 131	24 135
	Present value of finance lease obligations	**292 582**	**403 193**

Refer to appendix A for descriptions, maturity dates and effective interest rates of structures loans and finance leases. Leases are secured by property, plant and equipment.

ANNUITY LOANS
Bear interest at a rate of 6% per annum over a 6 year period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

		2012 R	2011 R
2	**EMPLOYEE BENEFITS**		
	Long Service Awards	1 207 976	965 102
	Post Retirement Benefits	6 875 030	6 012 345
	Total Non-Current Employee Benefit Liability	**8 083 006**	**6 977 447**
	Long Service Awards		
	Balance at beginning of year	1 166 331	1 083 795
	Contributions for the year	242 874	225 812
	Expenditure for the year	-201 229	-143 276
	Actuarial Loss/(Gain)		0
	Total Long Service 30 June	1 207 976	1 166 331
	LESS:Transfer of Current Portion to Current Employee Benefits		-201 229
	Balance at end of year	**1 207 976**	**965 102**
	Post Retirement Medical Benefits		
	Balance at beginning of year	6 210 404	5 612 167
	Contributions for the year	862 685	782 905
	Expenditure for the year	-198 059	-184 668
	Actuarial Loss/(Gain)		0
	Total Post Retirement Medical Benefits 30 June	6 875 030	6 210 404
	LESS:Transfer of Current Portion to Current Employee Benefits		-198 059
	Balance at end of year	**6 875 030**	**6 012 345**
	TOTAL NON-CURRENT EMPLOYEE BENEFITS		
	Balance at beginning of year	7 376 735	6 695 962
	Contributions for the year	1 105 559	1 008 717
	Expenditure for the year	-399 288	-327 944
	Actuarial Loss/(Gain)	0	0
	Total employee benefits 30 June	8 083 006	7 376 735
	LESS:Transfer of Current Portion to Current Employee Benefits	0	-399 288
	Balance at end of year	**8 083 006**	**6 977 447**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

		2012 R	2011 R
2.1	**Long Service Awards**		
	The liability in respect of past service has been estimate to be as follows:		
	In-Service Members	1 207 976	1 166 331
	The Current-Service cost for the ensuing year is estimated to	145 961	133 817
	Key Actuarial assumptions used:		
	1. Rate of Interest		
	Discount Rate	9.08%	9.08%
	General salary inflation rate	6.41%	6.41%
	Net effective discount rate	2.51%	2.51%
	2. Normal retirement age		
	The normal retirement age for employees of the municipality is 63 years.		
	The amount recognised in the Statement of Financial Position are as follows:		
	Present Value of fund obligations	1 207 976	1 166 331
	Fair Value of Plan Assets		0
		1 207 976	1 166 331
	Unrecognised Transitional liability		
	Unrecognised Actuarial Gains/(Loss)		
	Unrecognised Past Service Cost		
	Net Liability/(Asset)	**1 207 976**	**1 166 331**
	Reconciliation of present value of fund obligation		
	Present value of fund at beginning of year	1 166 331	1 083 795
	Total Expenses	41 645	82 536
	Current Service cost	145 961	133 817
	Interest cost	96 913	91 995
	Benefits paid	-201 229	-143 276
	Actuarial (gains)/losses	0	0
	Present Value of fund obligation at the end of year	**1 207 976**	**1 166 331**

	2012 R	2011 R
2.2 Post Retirement Benefits		
The Post Retirement Benefit Plan is a defined benefir plan, of which the members are made up as follows:		
In-Service Members	30	30
Continuation members (retiree and widow)members	7	7
	37	37
The Current-Service cost for the ensuing year	299 318	274 063
Interest Costs for the ensuing year	563 367	508 842
Key Actuarial assumptions used:		
1. Rate of Interest		
Discount Rate	9.22%	9.22%
Health Care costs inflation rate	7.25%	7.25%
Net effective discount rate	1.83%	1.83%
2. Mortality rates		
The PA(90) ultimate table, rated down by 1 year of age.		
3. Normal Retirement age		
The normal retirement age for employees of the municipality is 63 years.		
The amount recognised in the Statement of Financial Position are as follows:		
Present Value of fund obligations	6 875 030	6 210 404
Fair Value of Plan Assets		
	6 875 030	6 210 404
Unrecognised Transitional liability	0	0
Unrecognised Actuarial Gains/(Loss)	0	0
Unrecognised Past Service Cost	0	0
Net Liability/(Asset)	**6 875 030**	**6 210 404**
Reconciliation of present value of fund obligation		
Present value of fund at beginning of year	6 210 404	5 612 167
Total Expenses	664 626	598 237
Current Service cost	299 318	274 063
Interest cost	563 367	508 842
Benefits paid	-198 059	-184 668
Actuarial (gains)/losses	0	0
Present Value of fund obligation at the end of year	**6 875 030**	**6 210 404**

		2012 R	2011 R
3	**NON-CURRENT PROVISIONS**		
	Landfill Sites		
	Balance at the beginning of year	3 644 896	2 738 464
	Contribution for the year	364 489	906 432
	Expenditure for the year		
		4 009 385	3 644 896
	LESS:Transfer of current portion to Current Provisions	400 938	364 489
	Balance at end of year	**3 608 447**	**3 280 407**
4	**CONSUMER DEPOSITS**		
	Electricity and Water	**482 502**	**448 208**
	The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.		
5	**CURRENT EMPLOYEE BENEFITS**		
	Staff Leave	1 066 999	1 071 556
	Bonusses 13th Cheque	683 958	601 635
	Current Portion of Long Service Awards	0	201 229
	Current Portion of Post Retirement Benefit	0	198 059
		1 750 957	**2 072 479**
	Staff Leave		
	Balance at beginning of year	1 071 556	934 916
	Contributions for year	68 038	297 375
	Expenditure incurred	-72 595	-160 735
		1 066 999	**1 071 556**
	Bonusses 13th Cheque		
	Balance at beginning of year	601 635	526 199
	Contributions	82 323	75 436
	Expenditure incurred		0
		683 958	**601 635**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

		2012 R	2011 R
6	**PAYABLES FROM EXCHANGE TRANSACTIONS**		
	Trade Creditors	2 902 871	7 490 471
	Payments in Advance	360 775	359 981
	Other Creditors	1 097 525	1 126 924
	Retensions	258 407	69 178
	Other Creditors		
	Other Receivables		
		4 619 578	**9 046 554**
7	**UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS**		
	National Government Grants	2 574 339	3 486 668
	Provincial Government Grants	27 793	16 030
	Other Sources	1 524 434	2 824 572
		4 126 566	**6 327 270**
	Refer to Note for more information		
8	**UNSPENT PUBLIC CONTRIBUTIONS**		
	Jan Louw Development	37 073	37 073
	KLK	87 113	
	Other Contributions	24 000	24 000
		148 186	**61 073**
9	**TAXES**		
	VAT Receivable Year-End Creditors	247 436	
	VAT Receivable Control Account	685 957	619 423
		933 393	**619 423**
	VAT Provision Outstanding Debtors	**2 685 899**	**2 282 233**
10	**PROPERTY, PLANT AND EQUIPMENT**		
	See separate sheet		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

		2012 R	2011 R
11	**INVESTMENT PROPERTIES**		
	Net carrying amount at 1 July	**12 099 900**	**12 099 900**
	Cost	12 099 900	12 099 900
	Accumulated depreciation		
	Transfer to Property,Plant and Equipment	0	0
	Cost	0	0
	Accumulated depreciation	0	0
	Acquisitions for the Year	0	0
	Depreciation for the year	0	0
	Balance at 30 June	**12 099 900**	**12 099 900**
	Cost	12 099 900	12 099 900
	Accumulated depreciation		
12	**BIOLOGICAL ASSETS**		
	Fair Value as at 1 July 2011	0	
	Fair Value 150 Springboks @ R450	67 500	
	Fair Value as at 30 June 2012	**67 500**	

		2012 R	2011 R
13	**LONG-TERM RECEIVABLES**		
	Balance at year end of long-term consumer debtors	2 106 188	
	LESS: Current portion transferred to current receivables	-441 269	
	Total Long-Term Receivables	**1 664 919**	
	These are consumer debtors that entered into an agreement for longer than 12 mnths to settle their outstanding debt		
14	**INVENTORY**		
	OPENING BALANCES		
	Consumable stores at cost - Stationary and materials	339 131	339 131
	Water - At purification cost	0	
		339 131	**339 131**
	ADDITIONS		
	Consumable Stores	172 725	
	Water	5 956 478	
		6 129 203	
	ISSUED(EXPENSED)		
	Consumable Stores	239 502	
	Water	5 899 772	
		6 139 274	
	CLOSING BALANCE OF INVENTORIES		
	Consumable Stores	272 354	
	Water	56 706	
		329 060	

15 RECEIVABLES FROM EXCHANGE TRANSACTIONS

	GROSS BALANCES R	PROVISION IMPAIRMENT R	NETT BALANCES R
As at 30 June 2012			
Electricity	3 304 200	2 419 574	884 626
Water	6 326 856	4 632 982	1 693 874
Refuse	4 838 183	3 542 867	1 295 316
Sewerage	2 731 710	2 000 356	731 354
Other Arrears	3 700 778	2 709 977	990 801
	20 901 727	15 305 756	5 595 971
Recognition of Revenue - Water	59 842		59 842
Recognition of Revenue - Electricity	285 537		285 537
Recognition of Revenue - Sanitation	66 582		66 582
	21 313 688	**15 305 756**	**6 007 932**
LESS: Long-Term Receivables	-2 106 188		-2 106 188
Total: Receivables from Exchange Transactions	**19 207 500**	**15 305 756**	**3 901 744**
VAT Outstanding	2 685 899		2 685 899
	21 893 399	**15 305 756**	**6 587 643**
As at 30 June 2011			
Electricity	2 735 241	2 117 628	617 613
Water	5 145 234	3 983 448	1 161 786
Refuse	3 980 860		3 980 860
Sewerage	2 211 787	4 794 356	-2 582 569
Other Arrears	3 814 014	2 877 896	936 118
	17 887 136	13 773 328	4 113 808
Recognition of Revenue - Water	66 165		66 165
Recognition of Revenue - Electricity	278 302		278 302
Recognition of Revenue - Sanitation	73 752		73 752
	18 305 355	13 773 328	4 532 027
VAT	2 282 233		2 282 233
Total Receivables from Exchange Transactions	**20 587 588**	**13 773 328**	**6 814 260**

		2012 R	2011 R
15	**RECEIVABLES FROM EXCHANGE TRANSACTIONS (Continued)**		
	Ageing of Receivables from Exchange Transactions		
	Electricity: Ageing		
	Current (0 - 30 days)	950 272	778 318
	31 - 60 days	256 299	231 004
	61 - 90 days	174 219	159 426
	91 days and longer	1 923 410	1 566 493
		3 304 200	**2 735 241**
	Water: Ageing		
	Current (0 - 30 days)	361 084	294 890
	31 - 60 days	244 071	234 799
	61 - 90 days	223 482	208 155
	91 days and longer	5 498 219	4 407 389
		6 326 856	**5 145 233**
	Refuse: Ageing		
	Current (0 - 30 days)	256 945	239 994
	31 - 60 days	183 508	169 171
	61 - 90 days	167 418	154 079
	91 days and longer	4 230 312	3 417 616
		4 838 183	**3 980 860**
	Sewerage: Ageing		
	Current (0 - 30 days)	202 346	176 504
	31 - 60 days	117 568	116 669
	61 - 90 days	111 320	100 370
	91 days and longer	2 300 476	1 818 244
		2 731 710	**2 211 787**
	Other Arrears: Ageing		
	Current (0 - 30 days)	68 833	162 341
	31 - 60 days	49 315	44 741
	61 - 90 days	41 048	38 344
	91 days and longer	3 541 581	3 568 588
		3 700 777	**3 814 014**
	Reconciliation of the Total doubtful debt provision		
	Balance at beginning of the year	17 640 465	15 780 706
	Contribution to provision	2 171 266	4 354 236
	Doubtful debts written off against provision	-469 910	-2 494 477
	Balance at end of the year	**19 341 821**	**17 640 465**

		2012 R	2011 R
16	**RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS**		
	Other Receivables		
	Rates	5 511 700	4 995 001
	Miscellaneous	1 502 887	1 680 754
		7 014 587	**6 675 755**
	LESS: Allowance for doubtful debts	-4 036 066	-3 867 137
	Total receivables from non-exchange transactions	**2 978 521**	**2 808 618**
	Ageing of Receivables from Non- Exchange Transactions		
	Rates: Ageing		
	Current (0 - 30 days)	265 189	269 185
	31 - 60 days	127 664	119 744
	61 - 90 days	109 451	104 082
	91 days and longer	5 009 396	4 501 990
		5 511 700	**4 995 001**

Summary of Receivables by Customer Classification

2012	**Commercial**	**Residential**	**Government**	**Total**
Current (0 - 30 days)	463 181	1 425 917	215 569	2 104 667
31 - 60 days	110 393	748 394	119 639	978 426
61 - 90 days	82 566	659 815	84 558	826 939
91 days and longer	1 049 348	20 551 152	902 894	22 503 394
	1 705 488	23 385 278	1 322 660	26 413 426
LESS: Provision for doubtful debts	-1 248 882	-17 124 391	-968 548	-19 341 821
Total recoverable debtors by customer classification	**456 606**	**6 260 887**	**354 112**	**7 071 605**
2011				
Current (0 - 30 days)	339 171	1 258 278	227 015	1 824 464
31 - 60 days	109 064	720 739	86 325	916 128
61 - 90 days	72 819	615 908	75 729	764 456
91 days and longer	890 335	17 479 182	910 803	19 280 320
	1 411 389	20 074 107	1 299 872	22 785 368
LESS: Provision for doubtful debts	-1 092 699	-15 694 495	-853 269	-17 640 463
Total recoverable debtors by customer classification	**318 690**	**4 379 612**	**446 603**	**5 144 905**

			5 820 059
17	**BANK BALANCE AND CASH**		
	Primary Bank Account	760 268	2 853 367
	Secondary Bank Account - FNB	36 722	80 361
	Secondary Bank Account - STD Bank	13 547	11 554
	Call Investments	894 984	5 820 059
	Cash Floats	1 275	1 775
		1 706 796	**8 767 116**

		2012 R	2011 R
18	**CASH AND CASH EQUIVALENTS**		
	The Municipality have the following bank accounts		
	Current Accounts		
	ABSA Bank - Account No. 1620 000 031 (Primary Bank Account)		
	Cash Book balance at beginning of year	2 904 796	1 243 660
	Cash Book balance at end of year	**644 105**	**2 904 796**
	Bank Statement balance at beginning of year	3 093 569	1 289 494
	Bank Statement at end of year	**726 972**	**3 093 569**
	Standard Bank - Account No.08 303 0026 (Secondary Bank Account)		
	Cash Book balance at beginning of year	375 374	23 604
	Cash Book balance at end of year	**13 547**	**375 374**
	Bank Statement balance at beginning of year	363 812	338 201
	Bank Statement at end of year	**43 911**	**363 812**
	First National Bank - Account No. 5178 020 6351 -(Secondary Bank)		
	Cash Book balance at beginning of year	216 766	8 127
	Cash Book balance at end of year	**36 722**	**216 766**
	Bank Statement balance at beginning of year	208 503	163 504
	Bank Statement at end of year	**29 360**	**208 503**
	Cash Floats	1 275	1 775
	Call Investment Deposits		
	Call investment deposits consists of the following accounts		
	32 Days CRR	42 890	40 757
	Financial Management Grant	2 473	1 000
	Municipal Systems Improvement Grant	3 789	1 091
	Call Deposit CRR	172 425	71 363
	Hantam DBSA	89 871	89 242
	Nieuwoudtville Housing	1 143	133 263
	Municipal Infrastructure Grant	325 695	4 077 719
	Development of 390 Erven	1 085	107 659
	232 Houses Calvinia	1 022	250 968
	110 Houses Brandvlei	250 894	549 907
	40 Houses Calvinia	1 029	65 904
	182 Erven Loeriesfontein	1 002	431 186
	Hantam Surplus Cash	1 666	
		894 984	**5 820 059**

		2012 R	2011 R
19	**PROPERTY RATES**		
	Actual		
	Rateable Land and Buildings	**4 726 640**	**4 483 656**
	Cat A - Residential Properties	2 684 407	2 573 768
	Cat B - Industrial Properties	93 641	88 342
	Cat C - Business and Commercial	647 816	613 345
	Cat D - Farms - Agriculture	508 646	476 510
	Cat F - Small Holdings	1 316	1 240
	Cat Fi - Small Holdings for agriculture purposes	21 013	19 860
	Cat Fii - Small Holdings for residential purposes	101 791	94 536
	Cat Fiii - Small Holdings for industrial purposes	6 880	6 491
	Cat FV - Small Holdings for other purposes	864	816
	Cat G - State Owned properties	507 368	478 653
	Cat H - Municipal Properties	63 148	43 614
	Cat R - Properties used for multiple purposes	87 897	84 734
	Cat SI	1 853	1 747
	LESS: Rebates	**-292 439**	**-262 536**
	Total Assessment Rates	**4 434 201**	**4 221 120**
	Valuations - 30 June		
	Cat A - Residential Properties	363 685 700	357 554 300
	Cat B - Industrial Properties	11 014 400	11 014 400
	Cat C - Business and Commercial	77 875 300	78 671 200
	Cat D - Farms - Agriculture	931 949 102	860 185 782
	Cat F - Small Holdings	159 500	159 500
	Cat Fi - Small Holdings for agriculture purposes	3 722 720	3 722 720
	Cat Fii - Small Holdings for residential purposes	13 088 400	13 125 700
	Cat Fiii - Small Holdings for industrial purposes	756 000	756 000
	Cat FV - Small Holdings for other purposes	140 000	140 000
	Cat G - State Owned properties	66 777 602	66 782 132
	Cat H - Municipal Properties	34 422 565	34 549 265
	Cat R - Properties used for multiple purposes	9 876 200	10 102 300
	Cat SI	218 500	218 500
	Total Assessment Rates	**1 513 685 989**	**1 436 981 799**
	Tariffs		
	Brandvlei - Land and buildings	0.00910116	0.0085860
	Calvinia - Land and buildings	0.00910116	0.0085860
	Loeriesfontein - Land and buildings	0.00910116	0.0085860
	Nieuwoudtville - Land and buildings	0.00910116	0.0085860
	Agriculture Properties	0.00058353	0.0005505

		2012 R	2011 R
20	**GOVERNMENT GRANTS AND SUBSIDIES**		
	Unconditional Grants	**17 165 938**	**15 679 678**
	Equitable Share	17 165 938	15 679 678
	Conditional Grants	**16 433 599**	**8 007 557**
	National FMG Grant	1 451 411	1 196 126
	National MSIG Grant	790 000	750 000
	National INEP Grant	1 398 724	
	National MIG Grant	11 415 918	5 441 391
	Provincial Library Grant	387 236	243 970
	Namaqua District Municipality	990 310	376 070
	Total Government Grants and Subsidies	**33 599 537**	**23 687 235**
	Government Grants and Subsidies - Operating	19 794 586	17 869 774
	Government Grants and Subsidies - Capital	13 804 951	5 817 461
		33 599 537	**23 687 235**
20.1	**Equitable Share**		
	In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members	**17 165 938**	**15 679 678**
20.2	**National MIG Grant**		
	Balance unspent at beginning of year	3 477 427	4 232 818
	Current year receipts	10 505 000	4 686 000
	Conditions met - transferred to revenue	-11 415 918	-5 441 391
	Conditions still to be met - transferred to current liabilities	**2 566 509**	**3 477 427**
20.3	**National FMG Grant**		
	Balance unspent at beginning of year	5 755	1 881
	Current year receipts	1 450 000	1 200 000
	Conditions met - transferred to revenue	-1 451 411	-1 196 126
	Conditions still to be met - transferred to current liabilities	**4 344**	**5 755**
20.4	**National MSIG Grant**		
	Balance unspent at beginning of year	3 489	3 489
	Current year receipts	790 000	750 000
	Conditions met - transferred to revenue	-790 000	-750 000
	Conditions still to be met - transferred to current liabilities	**3 489**	**3 489**
20.5	**National INEP Grant**		
	Balance unspent at beginning of year	0	0
	Current year receipts	1 513 000	0
	Conditions met - transferred to revenue	-1 513 000	0
	Conditions still to be met - transferred to current liabilities	**0**	**0**
20.6	**Provincial LIBRARY Grant**		
	Balance unspent at beginning of year	16 030	21 239
	Current year receipts	399 000	260 000
	Conditions met - transferred to revenue	-387 236	-265 209
	Conditions still to be met - transferred to current liabilities	**27 794**	**16 030**
20.7	**Namaqua District Municipality**		
	Balance unspent at beginning of year	223 930	-599 447
	Current year receipts	1 243 667	1 199 447
	Conditions met - transferred to revenue	-990 310	-376 070
	Conditions still to be met - transferred to current liabilities	**477 287**	**223 930**
20.8	**232 Houses Calvinia**		
	Balance unspent at beginning of year	143 284	187 144
	Current year receipts		
	Conditions met - transferred to revenue	-143 284	-43 860
	Conditions still to be met - transferred to current liabilities	**0**	**143 284**

		2012 R	2011 R
	GOVERNMENT GRANTS AND SUBSIDIES (Continues)		
20.9	**110 Houses Brandvlei**		
	Balance unspent at beginning of year	1 129 955	1 046 888
	Current year receipts	4 129 265	419 560
	Conditions met - transferred to revenue	-4 469 255	-336 493
	Conditions still to be met - transferred to current liabilities	**789 965**	**1 129 955**
20.10	**40 Houses Calvinia**		
	Balance unspent at beginning of year	29 902	40 600
	Current year receipts		0
	Conditions met - transferred to revenue	-29 902	-10 698
	Conditions still to be met - transferred to current liabilities	**0**	**29 902**
20.11	**110 Houses Loeriesfontein**		
	Balance unspent at beginning of year	5 843	5 843
	Current year receipts		0
	Conditions met - transferred to revenue	-5 843	0
	Conditions still to be met - transferred to current liabilities	**0**	**5 843**
20.12	**73 Erven Nieuwoudtville**		
	Balance unspent at beginning of year	829 281	189 175
	Current year receipts	64 586	4 056 411
	Conditions met - transferred to revenue	-893 867	-3 416 305
	Conditions still to be met - transferred to current liabilities	**0**	**829 281**
20.13	**Calvinia Veterans Houses**		
	Balance unspent at beginning of year	18 203	-208 201
	Current year receipts		368 846
	Conditions met - transferred to revenue	-18 203	-142 442
	Conditions still to be met - transferred to current liabilities	**0**	**18 203**
20.14	**182 Erven Loeriesfontein**		
	Balance unspent at beginning of year	553 623	0
	Current year receipts	12 016 919	3 038 259
	Conditions met - transferred to revenue	-12 313 359	-2 484 636
	Conditions still to be met - transferred to current liabilities	**257 183**	**553 623**
20.15	**Water Affairs**		
	Balance unspent at beginning of year	186 568	167 641
	Current year receipts	713 903	255 511
	Conditions met - transferred to revenue	-623 847	-236 584
	Conditions still to be met - transferred to current liabilities	**276 624**	**186 568**
21	**FINES**		
	Court Fines	61 416	66 669
	Library Fines	8 986	8 105
	Traffic Fines	1 764	4 155
		72 166	**78 929**
22	**OTHER INCOME**		
	Game Sales		11 480
	Lost Materials	464	858
	Photostats	6 589	9 251
	Reduced Amperes	3 137	5 689
	Sale of Stone and Gravel	6 827	765
	Sundry	455 208	187 152
	Surplus Cash	458	642
	Transaction Fees	51 229	45 142
		523 912	**260 979**

		2012 R	2011 R
23	**SERVICE CHARGES**		
	Sale of Electricity	16 214 062	13 085 917
	Sale of Water	5 253 221	4 786 772
	Refuse Removal	3 354 213	3 035 289
	Sewerage and Sanitation Charges	2 429 746	2 247 009
	Other Service Charges	332 281	273 540
		27 583 523	23 428 527
	LESS: Income Foregone	-2 461 156	-1 552 960
	Total Service Charges	**25 122 367**	**21 875 567**
24	**EMPLOYEE RELATED COSTS**		
	Employee Related Costs - Salaries and Wages	15 508 560	14 866 968
	Employee Related Costs - Company Contributions	3 889 194	3 499 182
	Motor Vehicle Allowances	1 271 190	1 100 542
	Housing Benefits and allowances	259 978	272 730
	Overtime Payments	689 769	514 970
	Total Employee Related Costs	**21 618 691**	**20 254 392**
	There were no advances outstanding to employees.		
	Key Management Personnel		
	Remuneration of Key Management Personnel		
	Remuneration of Municipal Manager		
	Annual remuneration	409 790	
	13th Cheque	0	
	Car Allowance	80 000	
	Contributions to UIF, Medical and Pension Funds	89 425	
		579 215	
	Municipal Manager Vacant during 2011:Acting Allowances		
	I.G.Valentein		67 103
	B.W.Meyer		540
	A.Bergh		1 580
			69 223

Remuneration of Individual Head of Departments: 2012	**Chief Financial Officer**	**Technical Services**	**Corporate Services**	**Community Services**
Annual remuneration	321 548	348 828	377 302	325 750
13th Cheque	24 660	24 575	42 042	24 231
Car Allowance	102 275	102 624	101 054	102 159
Contributions to UIF, Medical and Pension Funds				
	448 483	**476 027**	**520 398**	**452 140**

Remuneration of Individual Head of Departments: 2011	**Chief Financial Officer**	**Technical Services**	**Corporate Services**	**Community Services**
Annual remuneration	321 468	317 170	308 429	338 036
13th Cheque	24 226	23 836	23 362	24 220
Car Allowance	96 916	96 316	94 303	96 896
Contributions to UIF, Medical and Pension Funds	91 704	80 543	82 296	88 662
	534 314	**517 865**	**508 390**	**547 814**

25	**REMUNERATION OF COUNCILLORS**		
	Full Time Mayor	430 495	398 288
	Councillors	1 031 304	987 115
	Cell Allowance	112 843	107 637
	Travel Allowance	487 267	462 303
		2 061 909	**1 955 343**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

		2012 R	2011 R
26	**DEBT IMPAIRMENT**		
	Receivables from Exchange and Non-Excghange Transactions	**2 171 266**	**4 354 237**
27	**FINANCE CHARGES**		
	Long-Term Liabilities: Annuity Loan	109 490	133 016
	Finance Leases	22 450	24 905
	Interest Cost - Landfill Sites	364 490	906 432
	Interest Cost - Employee Benefits	660 280	600 837
		1 156 710	**1 665 190**
28	**BULK PURCHASES**		
	Electricity	11 714 190	8 979 771
	Water	47 287	5 000
		11 761 477	**8 984 771**
29	**GRANTS AND SUBSIDIES PAID**		
	Grants Paid	**303 767**	**334 579**
30	**GENERAL EXPENSES**		
	General Expenses Departments	9 771 033	8 781 155
	Financial Services	1 713 578	1 652 856
		11 484 611	**10 434 011**
31	**TRANSFER TO AND FROM PROVISIONS**		
	Leave Provision	150 361	372 811
	Long Service Bonus	205 720	79 936
	Contribution to Post Retirement	299 318	
	Contribution from Post Retirement	-198 059	
	Contribution to Long Service Awards	145 961	
	Contribution from Long Service Awards	-201 229	
		402 072	**452 747**
32	**RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS**		
	Surplus/(deficit) for the year	7 607 324	-1 973 929
	Adjustment for:		
	Depreciation	4 639 363	4 721 775
	Contribution to provisions - non-current	1 070 762	680 773
	Contributions to provisions - current	77 765	212 076
	Contribution to debt impairment		1 859 759
	Investment Income	-118 845	-151 731
	Finance Charges	1 156 710	157 921
	Operating surplus/(deficit) before working capital charges	**14 433 079**	**5 506 644**
	Decrease in Inventory	10 071	17 672
	(Increase)Decrease in Debtors	460 380	-1 214 675
	(Increase)Decrease in other Debtors		-385 174
	(Decrease)Increase in conditional grants and receipts	-2 113 591	804 523
	Increase in Creditors	-4 488 415	5 235 029
	Increase in VAT	267 802	19 638
	Cash Generated by Operations	**8 569 326**	**9 983 657**

		2012 R	2011 R
33	**UNAUTHRISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE**		
33.1	***Fruitless and Wasteful Expenditure***		
	Reconciliation of Fruitless and Wasteful Expenditure		
	Opening Balance	11 200	24 213
	Condoned or written off by Council	-11 200	-24 213
	Fruitless and Wasteful expenditure for current year		11 200
	Fruitless and Wasteful expenditure awaiting condonement	**0**	**11 200**
33.2	***Irregular Expenditure***		
	Reconciliation of Irregular Expenditure		
	Opening Balance	3 046 297	3 633 123
	Condoned or written off by Council	-3 046 297	3 046 297
	Irregular expenditure for current year		-3 633 123
	Irregular expenditure awaiting condonement	**0**	**3 046 297**
33.3	***Unauthorised Expenditure***		
	Reconciliation of Unauthorised Expenditure		
	Opening Balance	5 568 631	0
	Unauthorised expenditure current year - operating	4 747 958	1 588 624
	Unauthorised expenditure current year - capital	2 899 207	3 980 007
	Condoned or written off by Council	-5 568 631	
	Unauthrised expenditure awaiting condonement	**7 647 165**	**5 568 631**

Incident	***Disciplinary Steps***
Over expenditure of approved budget for employee salary and employer contributions with R43 665 due to overtime	None
Over expenditure of approved budget for remuneration of councillors with R1 064	None
Over expenditure of approved budget for finance charges with R1 047 219 due to the finance charges of leases and employee benefits as well as landfill sites	None
Over expenditure of approved budget for bulk purchases of R845 691	None
Over expenditure of approved budget for security services with R7 502 due to extra services rendered.	None
Over expenditure of depreciation by R954 065 due to implementing of landfill sites and new capital	None
No Capital budget for electrification of houses for the amount of R1 398 723 funded by the INEP Grant	None
Over expenditure of approved budget for upgrading of roads with the amount of R681 052 due to late allocation of funds by Namaqua District Mun.	None

34	**ADDITIONAL DISCLOSURES IN TERMS OF THE MFMA**		
34.1	***Audit Fees***		
	Opening Balance	0	
	Current Year audit fee		
	Amount paid current year	885 213	886 314
	Amount paid previous year		
		885 213	**886 314**

The regulation of 1% is still in place.

		2012 R	2011 R
34.2	***VAT***		
	Opening Balance	1 201 194	422 018
	Input VAT Capital	69 696	
	VAT Control Account	332 684	
	Year-End Sundry VAT	798 814	
	Amounts received - previous years	-332 685	-422 018
	Amounts received - current year	-2 291 093	-466 336
	Amount claimed - current year	2 747 188	1 335 940
	Amount paid - current year	157 698	331 642
	Corrections	-548 910	-52
		933 392	**1 201 194**
	VAT Control Account	685 956	402 380
	Year -End Sundry VAT	247 436	798 814
		933 392	**1 201 194**
34.3	***PAYE and UIF***		
	Opening Balance	0	0
	Current year payroll deductions	2 628 690	2 574 486
	Amount paid - current year	-2 628 690	-2 574 486
	Amount paid - previous year		
	Balance unpaid	**0**	**0**
34.4	***Pension Fund and Medical Aid Deductions***		
	Opening Balance	0	0
	Current year payroll deductions	5 131 959	4 522 911
	Amount paid - current year	-5 131 959	-4 522 911
	Amount paid - previous year		
	Balance unpaid		
		0	**0**

34.5 ***Councillor's arrear consumer accounts***

	Total	Outstanding less than 90 days	Outstanding more than 90 days
30 June 2012			
Councillor G.J. Engelbrecht	1 846	1 846	0
Councillor M.Esau/K.Esau	10 728	1 298	9 430
Mayor A.Fritz	0	0	0
Councillor R.Swartz	0	0	0
Councillor J.Swarts	11 584	697	10 887
Councillor F.Sterkse	6	6	0
Councillor H.Steenkamp	150	150	0
Councillor J.H.Wilschut	0	0	0
Councillor G.Opperman/J.J.Opperman	0	0	0
Total Councillor arrear Consumer Accounts	**24 314**	**3 997**	**20 317**
30 June 2011			
Councillor G.J. Engelbrecht	1 439	1 439	
Councillor M.Esau/K.Esau	19 959	1 229	18 730
Councillor M.Esau/K.Esau	15 698	38	15 660
Mayor A.Fritz	721	445	276
Councillor R.Swartz	352	352	
Councillor J.Swarts	13 684	811	12 873
Councillor F.Sterkse	184	184	
Councillor H.Steenkamp	190	190	
Councillor J.H.Wilschut	4 480	1 035	3 445
Councillor G.Opperman/J.J.Opperman	4 274	888	3 386
Total Councillor arrear Consumer Accounts	**60 981**	**6 611**	**54 370**

		2012	2011
		R	R
36	**CAPITAL COMMITMENTS**		
	Commitments in respect of capital expenditure		
	Approved and contracted for	**7 479 938**	**9 177 869**
	Upgrading Sewer Network	573 149	773 492
	Water Purification Plant	1 916 467	4 833 668
	Brandvlei 60 low costing houses		595 346
	Building of 100 Houses		2 975 363
	Nieuwoudtville Rehabilitation of Dam	15 022	
	Nieuwoudtville Bulk Water	3 091 196	
	Nieuwoudtville New Reservoir	1 967 881	
	Upgrading of Roads	-83 777	
		7 479 938	**9 177 869**
	This expenditure will be financed from:		
	Government Grants	**7 479 938**	**9 177 869**
36	**RETIREMENT BENEFIT INFORMATION**		
	All employees contribute to the Cape Joint Municipal Pension Fund and SAMWU National Fund which is a defined contribution fund. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by employees are charged against expenditure on the basis of current service costs. Full actuarial valuations are performed at least every five years. The last valuation was done during 2011.		
37	**CONTINGENT LIABILITY**		
	Ebenhaeser Farmers Association - Cancellation of rental contract i.c.w. commonage	**0**	**10 000**
	LANDFILL SITES: NIEUWOUDTVILLE AND MIDDELPOS		
	As no permits excists for these two sites a possible contingent liability could be originate of which the amount not be determined.		
38	**FINANCIAL RISK MANAGEMENT**		

Financial Risk Management

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk). Credit risk and liquidity risk. The municipality overall risk management programme focusses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign exchange currency risk

The municipality does not engage in foreign currency transactions

(b) Interest Rate Risk

The municipality is exposed to interest rate risk due to the movements in long-term and short-term interest rates.
The risk is managed on an ongoing basis.

(c) Credit risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk arises mainly from cash and cash equvalents, instruments and deposits with banks and financial institutions, as well as credit exposures to consumer and grant debtors.

For banks and financial institutions, only independently rated parties with a minimum rating of B+ are accepted. Grants are receivable from higher order levels of government. In the case of consumer debtors the municipality effectively has the right to terminate services to consumers but in practise this is difficult to apply. This increases the credit risk in respect of consumer debtors. The risk of non-payment is managed on an ongoing basis and where practical, services are terminated and procedures applied to recover outstanding amounts owing and an appropriate level of impairment provision for default is maintained.

	2012 R	2011 R

Financial Risk Management (Continue)

(d) Liquidity Risk

Liquidity risk is the risk that the municipality will encounter difficulty in raising funds to meet commitments associated with financial liabilities.

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of commited credit facilities.

The financial liabilities of the municipality are backed by appropriate assets and it has adequate liquid resources. The council monitors the cash projections and by ensuring that borrowing facilities are available to meet its cash requirements.

(e) Other risks

Potential concentrations of credit risk and interest rate risk consist mainly of fixed deposit investments, long-term debtors, consumer debtors, short-term investment deposits and bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction/exposure limits which are included in the municipality's investment policy. These limits are reviewed annually by the CFO and authorised by the Municipal Council

Consumer debtors comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial conditions of these debtors. Consumer debtors are presented by net of an allowance for doubtful debt.
such accounts by "levying of penalty charges", "demand for payment", "restriction of services", and, as a last resort, " handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Long-Term Receivables and Other Debtors are individually at Balance Sheet date for impairment of discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment/discounting, where applicable.

The minimun credit and interest risk exposures in respect of the relevant financial instruments are as follows:

Short Term Investment Deposits		894 984	5 820 059
Bank and Cash Balances		695 649	2 947 057
Minimum Credit and interest Risk Exposures		**1 590 633**	**8 767 116**

39 FINANCIAL INSTRUMENTS

Consumer Debtors			
Service Debtors	Loans and Receivables	5 017 131	4 305 554
Other Debtors	Loans and Receivables	990 801	839 349
Other Debtors			
Sundry debtors	Loans and Receivables	1 502 887	3 123 448
Short-Term Investment Deposits			
Call deposits	Held to maturity	894 984	5 820 059
Bank Balances and Cash			
Bank Balances and Cash	Held to maturity	694 374	2 945 292
Cash Floats and Advances		1 275	1 775

			2012 R	2011 R
40	***Financial Instruments (Continue)***			
	SUMMARY OF FINANCIAL ASSETS			
	Held to maturity			
	Short-Term Investments		894 984	5 820 059
	Bank Balances and Cash		694 374	2 945 292
	Cash Floats and Advances		1 275	1 775
			1 590 633	**8 767 126**
	Loans and Receivables			
	Consumer debtors	Services	5 017 131	4 305 554
	Consumer debtors	Other	990 801	839 349
	Other Debtors	Sundry Debtors	1 502 887	3 123 448
			7 510 819	**8 268 351**
	Total Financial Assets		**9 101 452**	**17 035 477**
	Financial Liabillities			
	In accordance with IAS 39.09 the Financial Liabillities of the municipality are classified as follows (FVTPL = Fair Value through Profit or Loss)			
	Long-Term Liabillities			
	Annuity Loans	At amortised cost	1 419 420	1 921 608
	Lease Liabillity	At amortised cost	141 816	257 272
	Consumer Deposits			
	Electricity and Water	At amortised costs	482 502	448 208
	Payables			
	Trade payables	At amortised costs	3 057 711	8 343 407
	Current portion of Long-Term Liabillities			
	Annuity Loans	At amortised costs	502 188	477 464
	Lease Liabillity	At amortised costs	150 766	145 921
			5 754 403	**11 593 880**

41 EVENTS AFTER REPORTING DATE

The Municipality is not aware of any events that happened after the reporting date that should have an influence on the financial statements

42 PRIVATE PUBLIC PARTNERSHIPS

None

43 RELATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers/residents.

43.1 ***Related Parties Transactions***

Year ended 30 June 2012	**Rates**	**Services**	**Other**	**Outstanding**
Councillors	6 937	26 994	44 619	24 314
Municipal Manager and Senior Management	10 373	17 760	13 937	5 785
	17 310	**44 754**	**58 556**	**30 099**
Year ended 30 June 2011				
Councillors	7 526	37 985	0	60 981
Municipal Manager and Senior Management	9 785	13 726	17 133	4 979
	17 311	**51 711**	**17 133**	**65 960**

The Rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owing by related parties.

		2012 R	2011 R

43.2 ***Compensation of key management personnel***

The compensation of key management personnel is set out in note 25 to the Annual Financial Statements.

44 BUDGET COMPARISONS

2012	2012 Actual	2012 Budget	2012 Variance	2012 Variance %
REVENUE				
Property rates	4 434 201	4 765 035	330 834	6.94
Service charges	25 122 367	27 202 960	2 080 593	7.65
Rental of facilities and equipment	234 620	159 800	-74 820	-46.82
Interest earned - external investments	118 845	200 000	81 155	40.58
Interest earned - outstanding debtors	974 987	913 395	-61 592	-6.74
Fines	72 166	61 500	-10 666	-17.34
Licences and permits	1 152 603	1 157 600	4 997	0.43
Government grants and subsidies - Operating	19 794 586	20 322 000	527 414	2.60
Government grants and subsidies - Capital	13 804 951		-13 804 951	
Other income	523 912	125 040	-398 872	-319.00
Public contributions, donated/contributed	0			
LESS:Income Foregone		-292 450		
Total Revenue	**66 233 238**	**54 614 880**	**-11 325 908**	
EXPENDITURE				
Employee related costs	21 618 691	21 575 026	-43 665	-0.20
Remuneration of Councillors	2 061 909	2 060 845	-1 064	-0.05
Bad debts	2 171 266	4 965 040	2 793 774	56.27
Collection costs	244 772	245 000	228	0.09
Depreciation	4 639 363	3 685 298	-954 065	-25.89
Repairs and maintenance	1 849 960	2 069 994	220 034	10.63
Finance Charges	1 156 709	109 490	-1 047 219	-956.45
Bulk purchases	11 761 477	10 915 785	-845 692	-7.75
Contracted services	931 316	923 814	-7 502	-0.81
Grants and subsidies paid	303 767	308 600	4 833	1.57
General expenses - other	11 484 611	11 563 283	78 672	0.68
Provision - Post employment benefits	402 072	951 000	548 928	57.72
Loss on disposal of property, plant and equipment				
Total Expenditure	**58 625 913**	**59 373 175**	**747 262**	
NET SURPLUS/(DEFICIT) FOR THE YEAR	7 607 325	-4 758 295	-12 073 170	

Details of material variances

Revenue

Rental of Facilities - R74 820 (46.82%)	Levied amount recognised and not actual receipts
Interest earned - External Investments - R81 155 (-40.58%)	Low interest rates and high capital expenditure
Fines - R10 666 (17.34%)	Court fines R11 416 more than budget
Other Income - R398 872 (319%)	Unclaimed unknown deposits from 2005 - 2009

Expenditure

Contribution to debt impairment - R2 793 774 (56.27%)	Present value used to determine provision
Depreciation - R954 065 (-25.89%)	Addition of landfill sites and new capital projects
Repairs and maintenance - R220 034 (10.63%)	Correction of incorrect allocations
Finance Charges - R1 047 219 (-956.45)	Interest portion of employee benefits and lease payment and landfill sites
Provision -Post Employee Benefit - R548 928 (57.72%)	Interest portion of employee benefits

2011

	2011 Actual	2011 Budget	2011 Variance	2011 Variance %
REVENUE				
Property rates	4 483 656	4 514 612	-30 956	-0.7
Service charges	21 613 032	22 397 191	-784 159	-3.5
Rental of facilities and equipment	162 918	231 155	-68 237	-29.5
Interest earned - external investments	151 731	200 000	-48 269	-24.1
Interest earned - outstanding debtors	999 157	863 395	135 762	15.7
Fines	78 929	156 000	-77 071	-49.4
Licences and permits	1 230 529	1 116 600	113 929	10.2
Government grants and subsidies - Operating	17 869 774	19 745 000	-1 875 226	-9.5
Government grants and subsidies - Capital	5 817 461		5 817 461	0.0
Other income	260 979	1 031 540	-770 561	-74.7
Public contributions, donated/contributed	0	0	0	100.0
Gains on Actuarial Services	0	0	0	100.0
Total Revenue	**52 668 166**	**50 255 493**	**2 412 673**	**4.8**
EXPENDITURE				
Employee related costs	20 254 393	20 484 939	-230 546	-1.1
Remuneration of Councillors	1 955 343	1 962 785	-7 442	-0.4
Bad debts	4 354 237	5 125 650	-771 413	-15.1
Collection costs	0	0	0	0.0
Depreciation	4 721 775	4 040 200	681 575	16.9
Repairs and maintenance	1 658 294	2 101 340	-443 046	-21.1
Interest on external borrowings	157 921	133 020	24 901	18.7
Bulk purchases	8 984 771	8 225 760	759 011	9.2
Contracted services	733 187	610 050	123 137	20.2
Grants and subsidies paid	334 579	380 555	-45 976	-12.1
General expenses - other	10 434 011	11 208 040	-774 029	-6.9
Provision - Post employment benefits	1 053 584	1 204 200	-150 616	0.0
Loss on disposal of property, plant and equipment	0	0	0	100.0
Total Expenditure	**54 642 095**	**55 476 539**	**-834 444**	**-1.5**
NET SURPLUS/(DEFICIT) FOR THE YEAR	**-1 973 929**	**-5 221 046**	**3 247 117**	**-62.2**

		2012 R	2011 R
44.1	**Reconciliation of Budget surplus/(deficit) with the surplus/(deficit) in the statement of financial performance**		
	Net surplus/(deficit) per the statement of financial performance	7 607 325	-1 973 929
	- Deficit on the sale of assets		
	- Government Grants used for property, plant and equipment	-13 804 951	-5 817 461
	Income Foregone	-292 450	
		-6 490 076	-7 791 390
	- Other adjustments	-1 731 781	-2 570 344
	Budget Surplus - revenue	-2 479 043	-3 404 788
	Budget underspending - expenditure	-747 262	-834 444
	Nett surplus/(deficit) per approved budget	**-4 758 295**	**-5 221 046**
45	**MATERIAL LOSSES**		
	The following material distribution losses incurred during the year:		
	Water (%)	**27.40**	0
	Water Rand Value	**1 633 230**	0
	Electricity (%)	**17.81**	0
	Electricity Rand Value	**2 888 470**	0
46	**CHANGES IN ACCOUNTING POLICY**		
	Land Fill Sites		
	Provision for Rehabilitation of Landfill Sites not previously recognised		906 432
	Depreciation of Landfill Sites not previously recognised		387 966
			1 294 398
	Infrastructure Assets		
	Reversal of depreciation on infrastrucrure assets - 2010/2011		-2 030 710
	Reversal of depreciation on infrastrucrure assets - prior to 2010		-18 323 557
	Recognition of depreciation - prior to 2010		5 631 737
	Recognition of depreciation - 2010/2011		5 745 267
	Biological Assets		-67 500
			-7 750 365
47	**CORRECTION OF ERROR**		
	Repairs and Maintenance incorrectly captured as assets		312 011
	Reversal of depreciation on land		-1 167
	Correction of assets		360 247
			671 091

10. PROPERTY, PLANT AND EQUIPMENT

30 June 2012

Reconciliation of Carrying Value	**Land and Buildings**	**Infrastructure**	**Community**	**Heritage**	**Other**	**Investment Property**	**Leased Infrastructure**	**Total**
	R	**R**	**R**	**R**	**R**	**R**	**R**	**R**
Carrying values at 1 July 2011	**5 181 966**	**34 612 063**	**5 278 233**	**1 428 375**	**17 505 819**	**-**	**-**	**64 006 456**
Cost	5 253 939	55 354 296	8 649 300	1 465 000	26 523 003			97 245 538
Correction of error (note)								-
Revaluation								-
Accumulated depreciation	-71 973	-20 742 233	-3 371 067	-36 625	-9 017 184			-33 239 082
-Cost	-71 973	-20 742 233	-3 371 067	-36 625	-9 017 184	-		-33 239 082
-Revaluation	-	-	-	-	-			
Acquisitions		12 514 863			84 765			12 599 628
Capital under Construction								-
Increases/decreases in Transfers		-672 260	-34 860		102 360			-604 760
Depreciation	-34 236	6 717 656	-340 536	-18 313	-1 985 505	-	-	4 339 066
- based on Cost	-35 403	-2 259 606	-342 136	-18 313	-1 983 905			-4 639 363
- based on Revaluation								
Carrying value of disposals	-	-	-	-	-	-	-	-
Cost/revaluation			-	-	-	-		-
Accumulated depreciation			-	-	-			-
Impairment losses								-
Other movements	1 167	8 977 262	1 600		-1 600			8 978 429
								-
Carrying values at 30 June 2012	**5 147 730**	**53 172 322**	**4 902 837**	**1 410 062**	**15 707 439**	**-**	**-**	**80 340 390**
Cost	5 253 939	67 196 899	8 614 440	1 465 000	26 710 128	-	-	109 240 406
Correction of error (note)								
Revaluation								
Accumulated depreciation	-106 209	-14 024 577	-3 711 603	-54 938	-11 002 689	-	-	-28 900 016
- Cost	-106 209	-14 024 577	-3 711 603	-54 938	-11 002 689	-	-	-28 900 016
- Revaluation								-

30 June 2011

Reconciliation of Carrying Value	Land and Buildings	Infrastructure	Community	Heritage	Other	Investment Property	Leased Infrastructure	Total
	R	R	R	R	R	R	R	R
Carrying values at 1 July 2010	**5 120 853**	**28 571 354**	**5 619 602**	**1 446 700**	**19 146 539**	**-**	**-**	**59 905 048**
Cost	5 157 399	46 894 911	8 649 300	1 465 000	25 867 780			88 034 390
Correction of error (note 32)								-
Revaluation								-
Accumulated depreciation	-36 546	-18 323 557	-3 029 698	-18 300	-6 721 241	-	-	-28 129 342
- Cost	-36 546	-18 323 557	-3 029 698	-18 300	-6 721 241	-		-28 129 342
- Revaluation	-	-	-	-	-			
Acquisitions	96 540	5 720 920			655 223			6 472 683
Capital under Construction								-
Increases/decreases in revaluation	-	-	-	-	-	-		-
Depreciation	-35 427	-2 030 710	-341 369	-18 325	-2 295 943	-	-	-4 721 774
- based on Cost	-35 427	-2 030 710	-341 369	-18 325	-2 295 943			-4 721 774
- based on Revaluation								
Carrying value of disposals								
Cost/revaluation								
Accumulated depreciation								
Impairment losses								
Other movements								
Carrying values at 30 June 2011	**5 181 966**	**32 261 564**	**5 278 233**	**1 428 375**	**17 505 819**	**-**	**-**	**61 655 957**
Cost	5 253 939	52 615 831	8 649 300	1 465 000	26 523 003	-	-	94 507 073
Correction of error (note 32)								-
Revaluation	-	-	-	-	-	-		-
Accumulated depreciation	**-71 973**	**-20 354 267**	**-3 371 067**	**-36 625**	**-9 017 184**	**-**	**-**	**-32 851 116**
- Cost	-71 973	-20 354 267	-3 371 067	-36 625	-9 017 184	-	-	-32 851 116
- Revaluation			-					-

Refer to Appendix B for more detail on property, plant and equipment

APPENDIX A

HANTAM LOCAL MUNICIPALITY: SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2012

EXTERNAL LOANS	Loan Number	Redeemable	Balance at 30/06/2011	Received during the period	Redeemed written off during the period	Balance at 30/06/2012
LONG-TERM LOANS			**R**	**R**	**R**	**R**
Total long-term loans			**2 399 072**	**-**	**477 464**	**1 921 608**
ANNUITY LOANS						-
DBSA Loan @ 5% over 6 Years	102858	2016	2 399 072	-	477 464	1 921 608
Total Annuity loans			**2 399 072**	**-**	**477 464**	**1 921 608**
LEASE LIABILITIES						
Nashua Lease @15.31% over 5 Years		2013	41 788		20 281	21 507
Nashua Lease @ 1.77% over 5 Years		2013	13 196		7 144	6 052
Nashua Lease @12.70% over 5 Years		2013	22 074		11 405	10 669
Nashua Lease @12.70% over 5 Years		2013	22 074		11 405	10 669
Nashua Lease @18.33% over 5 Years		2013	20 843		7 532	13 311
Gestener Lease @3.78% over 5 Years		2012	10 019		8 561	1 458
Nashua Lease @12.70% over 5 Years		2014	32 125		10 052	22 073
Nashua Lease over 5 Years		2015	89 700	-	23 400	66 300
Nashua Lease over 5 Years		2014	136 500	-	39 000	97 500
Nashua Lease over 4 Years		2015	-	44 308	8 998	35 310
Nashua Lease over 4 Years		2013	14 875	-	7 140	7 735
Total Lease Liabilities			**403 194**	**44 308**	**154 918**	**292 584**
TOTAL EXTERNAL LOANS			**2 802 266**	**44 308**	**632 382**	**2 214 192**

APPENDIX B

HANTAM LOCAL MUNICIPALITY : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2012

	Cost/Revaluation						Accumulated Depreciation				Carrying Value	Budget Additions 2012
	Opening Balance	WIP Additions	Additions	Transfers/ Adjust	Disposals	Closing Balance	Opening Balance	Depreciation	Transfers/ Adjust	Closing Balance		
Land and Buildings												
Land	4 191 839					4 191 839	1 167		-1 167	-	4 191 839	
Buildings	1 062 100					1 062 100	70 806	35 403		106 209	955 891	
	5 253 939		**-**	**-**	**-**	**5 253 939**	**71 973**	**35 403**	**-1 167**	**106 209**	**5 147 730**	
Infrastructure												
Drains						-				-	-	
Roads	8 511 015	2 799 172		-2 947 367		8 362 820	4 286 809	368 931	-2 528 029	2 127 711	6 235 109	
Security Meassures	24 427					24 427	11 397	2 609	-3 571	10 435	13 992	
Sewerage Mains & Purif	16 156 391		3 578 908	-91 308		19 643 991	2 371 986	515 216	-1 391 793	1 495 409	18 148 582	
Electricity Mains	10 267 540		1 464 981	2 931 787		14 664 308	4 673 657	681 488	1 228 611	6 583 756	8 080 552	
Electricity Peak Load Equip						-				-	-	
Water Mains & Purification	17 060 026	1 211 652	3 460 150	-117 411		21 614 417	8 847 947	555 854	-6 138 568	3 265 233	18 349 184	
Landfill Sites	2 738 465		-			2 738 465	387 966	129 322		517 288	2 221 177	
Car Parks	175 000			-175 000		-	14 000		-14 000	-	-	
Aerodrome	148 471					148 471	148 471	6 186	-129 912	24 745	123 726	
Work in Progress	272 961			-272 961		-				-	-	
	55 354 296	**4 010 824**	**8 504 039**	**-672 260**	**-**	**67 196 899**	**20 742 233**	**2 259 606**	**-8 977 262**	**14 024 577**	**53 172 322**	
Community Assets												
Buildings	4 859 419			-34 860		4 824 559	825 924	218 319	-1 600	1 042 643	3 781 916	
Libraries						-				-	-	
Recreation Grounds	3 789 881					3 789 881	2 545 143	123 817		2 668 960	1 120 921	
Cemeteries						-				-	-	
	8 649 300		**-**	**-34 860**	**-**	**8 614 440**	**3 371 067**	**342 136**	**-1 600**	**3 711 603**	**4 902 837**	**-**
Heritage Assets												
Historical Buildings	1 465 000					1 465 000	36 625	18 313		54 938	1 410 062	
Vehicles	-				-	-	-			-	-	
	1 465 000		**-**	**-**	**-**	**1 465 000**	**36 625**	**18 313**	**-**	**54 938**	**1 410 062**	**-**
Total carried forward	70 722 535	4 010 824	8 504 039	-707 120	-	82 530 278	24 221 898	2 655 458	-8 980 029	17 897 327	64 632 951	

	Cost/Revaluation						Accumulated Depreciation				Carrying Value	Budget Additions 2012
	Opening Balance		Additions	Transfers/ Adjust	Disposals	Closing Balance	Opening Balance	Additions	Transfers/ Adjust	Closing Balance		
Total brought forward	70 722 535	4 010 824	8 504 039	-707 120	-	82 530 278	24 221 898	2 655 458	-8 980 029	17 897 327	64 632 951	
Investment Property											-	
Land	12 099 900					12 099 900				-	12 099 900	
											-	
	12 099 900		**-**	**-**	**-**	**12 099 900**	**-**	**-**	**-**	**-**	**12 099 900**	**-**
Leased Assets (Infrastructure)												
Sewerage Mains & Purify												
	-		-	-	-	-	-	-	-	-	-	-
Other Assets												
						-				-	-	
						-				-	-	
Office Equipment	2 325 549		84 765	-570		2 409 744	1 341 575	441 578		1 783 153	626 591	
Bins and Containers	10 097					10 097	673	337		1 010	9 087	
Emergency Equipment	79 657					79 657	72 957	3 558		76 515	3 142	
Motor vehicles	6 351 691					6 351 691	2 940 507	671 653		3 612 160	2 739 531	
Buildings	14 905 915			34 860		14 940 775	3 262 267	544 643	1 600	3 808 510	11 132 265	
Furniture & Fittings	1 729 230			-14 056		1 715 174	528 693	223 164	-14 056	737 801	977 373	
Plant & Equipment	1 120 865			14 626		1 135 491	870 512	98 972	14 056	983 540	151 951	
Cemetaries						-				-	-	
Environmental Health						-				-	-	
Biological Assets				67 500		67 500				-	67 500	
Traffic Services						-				-	-	
	26 523 004	**-**	**84 765**	**102 360**	**-**	**26 710 129**	**9 017 184**	**1 983 905**	**1 600**	**11 002 689**	**15 707 440**	**-**
Total	**109 345 439**	**4 010 824**	**8 588 804**	**-604 760**	**-**	**121 340 307**	**33 239 082**	**4 639 363**	**-8 978 429**	**28 900 016**	**92 440 291**	

APPENDIX C

HANTAM LOCAL MUNICIPALITY: SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT

AS AT 30 JUNE 2012

	Cost/Revaluation								Accumulated Depreciation							Carrying Value
	Opening Balance	WIP Addtions	Additions	Transfers/ Adjustments	Revaluation	Disposals		Closing Balance	Opening Balance	Depreciation	Transfers/ Adjustments	Revaluation	Disposals		Closing Balance	
						Transfers	Write-Off						Transfer	Write-Off		
Municipal Manager	305 307							305 307	141 279	52 985					194 264	111 043
Administration	1 933 386							1 933 386	928 007	193 665	-1 167				1 120 505	812 882
Human Resources	20 786							20 786	8 740	0					8 740	12 046
I D P	44 322							44 322	19 033	0					19 033	25 289
Finance	967 479		19 184					986 663	492 818	173 574					666 392	320 271
Cemeteries	469 440							469 440	56 757	17 182					73 939	395 501
Roads & Streets	5 815 744	2 799 172	-	-3 122 367				5 492 549	4 305 758	369 268	-2 542 029				2 132 996	3 359 553
Civic Buildings	29 633 449		-					29 633 449	3 011 345	437 113					3 448 458	26 184 991
Nature Reserve	25 556			67 500				93 056	10 223	1 704					11 927	81 129
Sportgrounds	5 429 101							5 429 101	2 523 503	170 402					2 693 905	2 735 196
Swimmingpool	390 452							390 452	142 952	17 133					160 085	230 367
Aerodrome	307 045							307 045	256 823	37 901	-129 912				164 812	142 233
Caravan Park	742 845							742 845	128 559	24 946					153 505	589 340
Disaster Management	28 907							28 907	21 949	7 088					29 037	-130
Traffic	5 832 041							5 832 041	856 497	275 828					1 132 325	4 699 716
Public Works	6 241 983		-					6 241 983	3 052 803	680 632					3 733 435	2 508 548
Health Environmental	202 017							202 017	39 740	8 300					48 040	153 977
Libraries	1 163 498		44 309					1 207 807	618 361	241 104					859 465	348 341
Sanitation & Sewerage	16 824 053		3 578 908	-91 308				20 311 654	2 599 975	557 229	-1 395 364				1 761 839	18 549 814
Landfill Sites	2 738 465							2 738 465	387 962	129 322					517 284	2 221 181
Water	15 476 061	1 211 652	3 481 422	-390 371				19 778 764	8 812 867	562 501	-6 138 568				3 236 799	16 541 964
Electricity	14 753 501		1 464 981	2 931 787				19 150 269	4 823 131	681 488	1 228 611				6 733 230	12 417 038
TOTAL	**109 345 438**	**4 010 824**	**8 588 804**	**-604 759**	**-**	**-**	**-**	**121 340 307**	**33 239 082**	**4 639 363**	**-8 978 430**	**-**	**-**	**-**	**28 900 015**	**92 440 292**

APPENDIX D

HANTAM LOCAL MUNICIPALITY: SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2012

2011 Actual Income R	2011 Actual Expenditure R	2011 Surplus/ (Deficit) R		2012 Actual Income R	2012 Actual Expenditure R	2012 Surplus/ (Deficit) R
628 394	6 036 300	-5 407 906	Executive & Council	615 584	6 335 215	-5 719 631
14 432 999	10 500 891	3 932 108	Finance & Admin	18 938 538	11 330 223	7 608 315
	317 598	-317 598	Planning & Development		335 413	-335 413
507 810	176 110	331 700	Health	201 120	149 531	51 589
1 867 057	1 553 030	314 027	Community & Social Services	1 415 301	1 804 755	-389 454
	29 441	-29 441	Public Safety	12 351	36 872	-24 521
85 929	774 086	-688 157	Sport & Recreation	98 359	557 125	-458 766
10 756 304	7 632 998	3 123 306	Waste Management	10 462 014	8 234 094	2 227 920
1 370 490	5 109 423	-3 738 933	Road Transport	4 122 248	5 528 117	-1 405 869
7 407 601	6 295 110	1 112 491	Water	10 290 671	6 631 938	3 658 733
15 611 582	15 447 571	164 011	Electricity	20 077 050	16 808 449	3 268 601
	769 537	-769 537	Other		874 182	-874 182
52 668 166	**54 642 095**	**-1 973 929**	Sub Total	**66 233 236**	**58 625 914**	**7 607 322**
52 668 166	**54 642 095**	**-1 973 929**	**Total**	**66 233 236**	**58 625 914**	**7 607 322**

APPENDIX E

DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant and Subsidies Received

Name of Grants	Name of organ of state or municipal entity	Balance Unspent 01/07/2011	Quarterly Receipts					Quarterly Expenditure					Balance Unspent 30-Jun-12	Grants and Subsidies delayed / withheld					Reason for delay/withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	
			Sept	Dec	March	June	Total	Sept	Dec	March	June	Total		Sept	Dec	March	June			Yes/No	
Financial Management	Nat.Treasury	5 756	1 450 000				1 455 756	474 746	272 567	308 911	395 187	1 451 411	4 345							Yes	
MIG	MIG	3 477 424	4 000 000	4 000 000	2 505 000		13 982 424	1 088 816	2 930 974	525 564	6 870 564	11 415 918	2 566 506							Yes	
Municipal Systems	Nat.Treasury	3 490	790 000				793 490	176 246	11 639	23 931	578 185	790 001	3 489							Yes	
Library	Culture	16 030	399 000				415 030	55 808	61 640	122 655	147 134	387 237	27 793							Yes	
INEP	Nat.Treasury		1 513 000				1 513 000	221 744	240 336		1 050 920	1 513 000	0							Yes	
		3 502 700	**8 152 000**	**4 000 000**	**2 505 000**	**0**	**18 159 700**	**2 017 360**	**3 517 156**	**981 061**	**9 041 990**	**15 557 567**	**2 602 133**	**0**	**0**	**0**	**0**	**0**			